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The Honorable Cyrus R. Vance
Deputy Secretary of Defense
Washington, D. C.

4 MAR 1966

Dear Mr. Secretary:

I have your letter of 23 February referring to Congressional hearings for the NRO Budget in FY 1966. Mr. McCone, to whom you addressed your letter, is out of town, as you know, and will not return until early next week at the earliest.

I believe that your letter and Mr. McCone's 5 February letter to you on this subject provide the atmosphere and the opportunity for developing a procedure which will be mutually acceptable.

I suggest that we make this subject of Congressional hearings a specific agenda item for the next meeting of the NRO Executive Committee at which time we can go into the matter in further detail.

The CIA Security Officers made contact with General Stewart of the NRO Staff and briefed General Stewart in detail on the extent to which members of the Congressional Committees have been briefed on the subjects involved.

Faithfully yours,

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Marshall S. Carter
Lieutenant General, USA
Acting Director

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NRO review(s) completed.

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**TOP SECRET****THE DEPUTY SECRETARY OF DEFENSE**
WASHINGTON, D. C. 20301

23 FEB 1965

Honorable John A. McCone
Director of Central Intelligence
Washington, D.C.

Dear John:

Your letter of February 5, 1965 refers to the Congressional hearings for the NRO budget in FY 1966. Modifications to the procedure followed last year are, of course, possible. As you know, last year Charlie Hitch and Harold Brown presented the budget to Congressional committees and Dr. McMillan did not participate in the presentation. Since the presentation and substantiation of this budget is the responsibility of the executive agent, we had planned to follow the same procedure this year. We planned to ask Brown and Hitch to do the presenting and the supporting again and to keep the DNRO in the background to reduce the number of detailed questions that could be asked.

The modification of last year's procedure to include members of the CIA in these discussions may well be useful. Presence of members of your organization could be helpful in responding to any questions which may arise relative to the financial management, accounting and contracting for that portion of the NRP funds which are being administered by the CIA. On the other hand, we should be careful lest, by modifying our procedure, we encourage protracted hearings in the area of appropriations. As you correctly stated, separate generalized discussions were held with you, Senator Russell, and elements of the Department of Defense; it might well be that continuation of this procedure would be better.

We should separately examine the clearance situation for such projects as the SR-71, YF-12A, J-58 engine and 417 weather satellite. I believe that these items will be subjected to a careful examination by broader elements of the committee than heretofore. For this reason, information regarding clearances of members of these committees is essential for DOD witnesses to properly plan their answers. Please let us have such information as soon as is convenient.

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It seems to me that your suggestion of adding CIA personnel to the DOD presentation of the NRP to the Congress so as to emphasize the joint character of the program is a healthy one. I would suggest that, together with information regarding clearance of the elements of Congress, you will let us know who will represent CIA when Mr. Hitch and Dr. Brown will be called by the Appropriation Committees. It may well be that, if this new procedure is employed, we will also ask Dr. McMillan to be present; your opinion on this whole issue will be greatly appreciated.

Sincerely,

A handwritten signature, possibly 'C. G.', consisting of a large capital 'C' followed by a smaller 'G'.

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5 February 1965

The Honorable Cyrus R. Vance
Deputy Secretary of Defense
Washington, D. C.

Dear Cy:

As you know, the agreement of 13 March 1963 relating to the National Reconnaissance Program (NRP) provides that CIA will include in its budget presentation to Congressional committees the funds for NRP tasks assigned to the Agency and financed out of NRO resources. From a communication which CIA has received from General Stewart requesting advice about security measures appropriate for Congressional hearings on the National reconnaissance budget, I gather that Dr. McMillan is planning the substantiation of this budget before the Congress. In view of our joint interest in the National Reconnaissance Program, it seems to me that representatives of the Defense Department and CIA should jointly present this budget to the Congressional committees concerned. Last year there was a general discussion of reconnaissance and other sensitive programs with Senator Russell, in which Mr. Hitch and others representing the Defense Department and I and members of the CIA staff participated. This year I hope that this concept of a joint presentation and defense of the reconnaissance program can be extended to all discussions of the subject with the Congress.

Before any such presentation it will be necessary of course to reach agreement on what the budget for the National Reconnaissance Program actually is. I saw this budget for the first time only recently and, while I have not yet had an opportunity to discuss it with you, I believe that the budget reflects a number of issues on which we have not yet reached agreement. These issues include, for example, the funds which should be allocated to certain categories of research and development. Moreover, the budget, as submitted to me, reflects lack of understanding concerning the proper allocation of responsibilities, as between CIA and the Defense Department, for individual projects. This is of course a matter on which I need early clarification

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in view of my responsibility, as indicated above, for inclusion of NRO programs assigned to CIA in the CIA budgetary presentation to Congress. (I would hope that the need for inclusion of these NRO programs in the CIA presentation could be obviated by agreement on procedures for a joint presentation before the CIA budget hearings are scheduled.)

If you agree with the desirability of a joint presentation, I will ask Mr. Lyman B. Kirkpatrick, Executive Director-Comptroller of CIA, who is responsible for arranging the presentation of the CIA budget to Congress, to discuss with Dr. McMillan arrangements appropriate for hearings on the NRP. I should also appreciate an opportunity for an early discussion of the NRO budget.

Sincerely,

[(Signed)] JOHN A. MCCONE

John A. McCone
Director

JABross:blh (2/6/65)

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